

# ***City of Argonia, Kansas***

## **Financial Statement**

*December 31, 2012*

### *Governing Body*

Alan Brundage, Mayor  
Mary Beth Bookless  
Wayne Vineyard  
Scott Jones  
Natalie Kollmeyer  
Joyce Reynolds

### *City Clerk*

Mindy Mages

### *City Treasurer*

Richelle Green

### *Independent Auditor*

Kenneth L Cooper Jr CPA, Chtd  
Certified Public Accountant  
*Wellington, Kansas*

# *City of Argonia, Kansas*

*Year Ended December 31, 2012*

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**KENNETH L COOPER JR CPA, CHTD**  
*Certified Public Accountant*

Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Argonia  
Argonia, Kansas

We have audited the accompanying fund summary statement of regulatory basis receipts, expenditures and unencumbered cash balances of the City of Argonia, Kansas, (a Municipal Financial Reporting Entity) as of and for the year ended December 31, 2012 and the related notes to the financial statement.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the *Kansas Municipal Audit and Accounting Guide* as described in Note 1 to meet the financial reporting requirements of the State of Kansas. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the *Kansas Municipal Audit and Accounting Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used, and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse and unqualified audit opinions.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1 of the financial statement, the financial statement is prepared by the City of Argonia, Kansas to meet the requirements of the State of Kansas on the basis of the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide*, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City of Argonia, Kansas as of December 31, 2012, or changes in net position and, when applicable, cash flows thereof for the year then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of the City of Argonia, Kansas as of December 31, 2012, and the aggregate receipts and expenditures for the year ended in accordance with the financial reporting provisions of the *Kansas Municipal Audit and Accounting Guide* described in Note 1.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the 2012 fund summary statement of regulatory basis receipts, expenditures, and unencumbered cash balances (basic financial statement) as a whole. The summary of regulatory basis expenditures-actual and budget, individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedules 1 and 2 as listed in the table of contents) are presented for additional analysis and are not a required part of the 2012 basic financial statement; however are required to be presented under the provisions of the *Kansas Municipal Audit Accounting Guide*. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 basic financial statement. The 2012 information has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2012 basic financial statement or to the 2012 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 2012 basic financial statement as a whole, on the basis of accounting described in Note 1.

The 2011 Actual column presented in the individual fund schedules of regulatory basis receipts and expenditures-actual and budget (Schedule 2 as listed in the table of contents) is also presented for comparative analysis and is not a required part of the 2011 basic financial statement upon which we rendered an unqualified opinion dated June 27, 2012. The 2011 basic financial statement and our accompanying report are not presented herein, but are available in electronic form from the web site of the Kansas Department of Administration, Office of Management Analysis and Standards at the following link: <http://da.ks.gov/ar/muniserv/>. Such 2011 comparative information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2011 basic financial statement. The 2011 comparative information was subjected to the auditing procedures applied in the audit of the 2011 basic financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2011 basic financial statement or to the 2011 basic financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 2011 comparative information is fairly stated in all material respects in relation to the 2011 basic financial statement taken as a whole, on the basis of accounting described in Note 1.



Certified Public Accountants

September 10, 2013

***City of Argonia, Kansas***  
**Summary Statement of Receipts, Expenditures and Unencumbered Cash**  
 Regulatory Basis  
*For the Year Ended December 31, 2012*

<u>Funds</u>	<u>Beginning Unencumbered Cash Balance</u>	<u>Cash Receipts</u>	<u>Expenditures</u>	<u>Ending Unencumbered Cash Balance</u>	<u>Add Outstanding Encumbrances/ Accounts Pay.</u>	<u>Ending Cash Balance</u>
Governmental Type Funds:						
General Fund	\$ 78,018	\$ 248,126	\$ 276,099	\$ 50,045	\$ 4,700	\$ 54,745
Special Purpose Funds:						
Special Highway	18,900	12,888	29,000	2,788		2,788
Equipment Reserve	75,144	-	2,950	72,194	-	72,194
Park Trust	6,166	29,173	17,816	17,523	23	17,546
Argonia Daze	3,748	2,974	4,819	1,903	-	1,903
Bond and Interest Funds:						
Bond & Interest	22,952	35,444	36,070	22,326	-	22,326
Capital Project Funds:						
Capital Improvements	69,178	-	-	69,178	-	69,178
Sewer Improvement Fund	28,695	403,022	736,084	(304,367)	304,377	10
Business Funds:						
Water and Sewer Utility	226,244	243,523	144,849	324,918	13,445	338,363
Gas Utility	59,965	164,212	139,847	84,330	14,611	98,941
Ambulance	9,370	64,795	53,688	20,477	120	20,597
Cemetery	18,913	61,922	4,228	76,607	62	76,669
Solid Waste Utility	3,855	46,525	42,412	7,968	573	8,541
Trust Funds:						
Vera M Linn Cemetery						
Memorial Fund	70,054	508	508	70,054	-	70,054
Cemetery Building	2,323	1	-	2,324	-	2,324
Total reporting entity	<u>\$ 693,525</u>	<u>\$ 1,313,113</u>	<u>\$ 1,488,370</u>	<u>\$ 518,268</u>	<u>\$ 337,911</u>	<u>\$ 856,179</u>

***City of Argonia, Kansas***  
**Summary Statement of Receipts, Cash Disbursements and Unencumbered Cash**  
 Regulatory Basis  
*For the Year Ended December 31, 2012*

Composition of Cash Balance:

Cash on hand, city Clerk	\$ 150
Cash in checking account:	
Farmers & Merchants State Bank, Argonia	
Operating account	654,592
Cemetery Building account	2,324
Argonia Daze account	1,903
Sewer Improvement account	10

Certificates of Deposit

Farmers & Merchants State Bank, Argonia:

	<u>Rate</u>	<u>Maturity</u>	
CD #22718	0.350%	03/18/2013	5,000
CD #22719	0.350%	03/18/2013	5,000
CD #7731	1.500%	03/10/2013	5,000
CD #7733	1.500%	03/10/2013	5,000
CD #22173	0.650%	10/03/2013	2,200
CD #6886	2.250%	06/01/2015	5,000
CD #21830	0.450%	04/24/2013	100,000
CD #23588	0.450%	03/14/2013	70,000
Total Certificates of Deposit			<u>197,200</u>

Total reporting entity	<u><u>\$ 856,179</u></u>
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***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2012*

**1. Summary of Significant Accounting Policies**

**A. Municipal Financial Reporting entity**

The City of Argonia, Kansas (“City”) is a municipal corporation operating under a Mayor-Council form of government. It provides the following services: Public Safety-Police, Volunteer Fire and Emergency Medical Services, Highways and Streets, Public Improvements, Utilities-Gas, Water, Sewer, Refuse, and General Administrative Services. This regulatory financial statement presents only the municipality with no related municipal entities.

**B. Regulatory Basis Fund Types**

General Fund--the chief operating fund of the City. Used to account for all resources except those required to be accounted for in another fund.

Special Purpose Fund—used to account for the proceeds of specific tax levies and other specific revenue sources (other than Capital Project and tax levies for long-term debt) that are intended for specified purposes.

Bond and Interest Fund—used to account for the accumulation of resources, including tax levies, transfers from other funds and payment of general long-term debt.

Capital Project Fund—used to account for the debt proceeds and other financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Business Fund—funds financed in whole or in part by fees charged to users of the goods or services (i.e. utility services and internal service funds).

Trust Fund—funds used to report assets held in trust for the benefit of the municipal financial reporting entity (i.e. pension funds, investment trust funds, private purposed trust funds which benefit the municipal reporting entity, scholarship funds, etc.).

**C. Basis of Accounting**

*Regulatory Basis of Accounting and Departure from Accounting Principles Generally Accepted in the United States of America.* The Kansas Municipal Audit and Accounting Guide (KMAAG) regulatory basis of accounting involves the recognition of cash, cash equivalents, marketable investments, and certain accounts payable and encumbrance obligations to arrive at a net unencumbered cash and investments balance on a regulatory basis for each fund, and the reporting of changes in unencumbered cash and investments of a fund resulting from the difference in regulatory basis revenues and regulatory basis expenditures for the fiscal year. All recognized assets and liabilities are measured and reported at cost, unless they have been permanently impaired and have no future cash value or represent no future obligation against cash. The KMAAG regulatory basis does not recognize capital assets, long-term debt, accrued receivables and payables, or any other assets, liabilities or deferred inflows or outflows, other than those mentioned above.

The municipality has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the regulatory basis of accounting

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2012*

**1. Summary of Significant Accounting Policies (continued)**

**D. Property taxes**

In accordance with governing State statutes, property taxes levied during the current year are revenue sources to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and are levied and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

Recognized state shared taxes represent payments received during the current fiscal period. State statutes specify distribution dates for such shared taxes. For revenue recognition purposes, amounts collected and held by the State on behalf of the City at year-end are not due and receivable until the ensuing year.

Federal and State grant aid and unrestricted aid is reported as revenue in the fiscal year the entitlement is received.

**E. Reimbursements**

The City records reimbursable expenditures in the fund that makes the disbursement and records reimbursements as revenue to the fund.

**2. Stewardship, Compliance and Accountability**

**A. Budgetary Information**

Kansas statutes require that an annual operating budget be legally adopted for the general fund, special purpose funds (unless specifically exempted by statute), bond and interest funds and business funds. Although directory rather than mandatory, the statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:

1. Preparation of the budget for the succeeding calendar year on or before August 1st.
2. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
3. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
4. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of public hearing to amend the budget must be published in the local newspaper. At least ten days after publication the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund. However, such statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison schedules are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.



**City of Argonia, Kansas**  
**Notes to Financial Statement**  
*December 31, 2012*

**2. Stewardship, Compliance and Accountability (continued)**

**A. Budgetary Information (continued)**

All legal annual operating budgets are prepared using the regulatory basis of accounting, in which revenues are recognized when cash is received and expenditures include disbursements, accounts payable, and encumbrances, with disbursements being adjusted for prior year's accounts payable and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitments, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year-end.

A legal operating budget is not required for capital projects funds, trust funds, and the following special purpose fund: Equipment Reserve Fund. Spending in funds which are not subject to the legal annual operating budget requirement is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

**B. Compliance With Finance-Related Legal and Contractual Provisions**

- Encumbrance Records and Record of Unencumbered Budget Balance The clerk did not maintain the required encumbrance records, in accordance with K.S.A. 10-1117 and was therefore unable to maintain accounts required under K.S.A. 79-2934 showing the unencumbered budget balance of each fund, except at year end.
- Treasurer's Fund Record K.S.A. 10-1118 requires that the treasurer of every municipality keep records to show the amount of money in each fund. The Clerk at the City of Argonia maintains such records, but the Treasurer does not maintain independent fund records.
- Encumbrance Records K.S.A. 79-2934 provides that "the clerk shall open and keep an account of each fund showing the total amount appropriated for each fund and shall charge such appropriation with the amount of any indebtedness created at the time such indebtedness is incurred." The City's records show the amount of funds disbursed and remaining budget balance, but do not reflect encumbrances, which is what is meant by the "amount of indebtedness created at the time such indebtedness is incurred".
- Annual Report by Treasurer K.S.A. 12-1608 requires the treasurer of third class cities shall file an annual statement showing the total amount received into each fund, the total amount expended from each fund, and the cash balances of each fund at the beginning and close of each year. Three funds, Argonia Daze, Sewer Improvement, and Cemetery Building were not included in this reporting.
- Budget Law K.S.A. 79-2935 states that expenditures, including encumbrances, should not exceed the adopted budget of expenditures, plus any reimbursements of current year expenditures for such fund. The Argonia Daze and Park Trust Funds exceeded their budgets during 2012, as shown on Schedule 1.
- Cash Basis Law K.S.A. 10-1121 requires that no indebtedness be created for a fund in excess of available monies in that fund. The Bond and Interest Fund had a negative fund balance during 2012 due to a scheduled budget transfer not being made until year end.
- Funds Disbursed as Provided by Law K.S.A. 12-105b provides for approval of claims by management and governing body prior to disbursement, with some exceptions. The City maintained accounting and disbursement records for the Sewer Improvement Fund outside of its regular accounting system. Although claims were pre-approved by the Mayor, they were not included in the claims list presented to the governing body for approval.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2012*

**2. Stewardship, Compliance and Accountability (continued)**

**C. Negative Unencumbered Cash Balance**

The Sewer Improvement Fund had a negative unencumbered cash balance of \$304,367 at December 31, 2012 due to an accounts payable as of that date. This negative balance was due to federal and loan funds pending receipt. This qualifies as an exception to the cash basis law requirement that funds not have a negative balance.

**3. Deposits and Investments**

K.S.A. 9-1401 establishes the depositories which may be used by the City. The statute requires banks eligible to hold the City's funds have a main or branch bank in the county in which the City is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The City has no investment policy that would further limit interest rate risk.

K.S.A. 12-1675 limits the City's investments of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; US government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The City has no investment policy that would further limit its investment choices.

*Custodial credit risk – deposits.* Custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. State statutes require the City's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The City did not designate any peak periods in 2012. All deposits were legally secured at December 31, 2012.

At December 31, 2012, the City's carrying amount of deposits was \$856,029 and the bank balance was \$863,726. The bank balance was held by one bank resulting in a concentration of credit risk. Of the bank balance, \$250,000 was covered by federal depository insurance and \$613,726 was collateralized with securities held by the pledging financial institutions' agents in the City's name.

**City of Argonia, Kansas**  
**Notes to Financial Statement**  
*December 31, 2012*

**4. Long-term debt**

Changes in long-term liabilities for the City for the year ended December 31, 2012 were as follows:

	Interest Rate	Date of Issue	Amount of Issue	Date of Final Maturity	Balance Beginning of Year	Additions	Reductions/ Payments	Balance 12/31/2012	Interest Paid
<b>General Obligation Bonds</b>									
Series 2005 GO Water Distrib. Sys	2.3-4.5%	3/1/2005	500,000	9/1/2025	<u>\$385,000</u>	<u>\$ -</u>	<u>\$ 20,000</u>	<u>\$ 365,000</u>	<u>\$ 15,548</u>
<b>Other Debt</b>									
Revolving Loan KWPCRLF	2.55%	9/24/2010	907,256	9/1/1932	<u>\$134,087</u>	<u>\$191,996</u>	<u>\$ -</u>	<u>\$ 326,083</u>	<u>\$ 1,409</u>
Total					<u>\$519,087</u>	<u>\$191,996</u>	<u>\$ 20,000</u>	<u>\$ 691,083</u>	<u>\$ 16,957</u>

The maturity schedule below is based on the July 31, 2013 final loan balance on the KWPCRLF Revolving Loan, after additional advances were received in 2013. Current maturities of long-term debt and interest for the next five years and in five year increments through maturity are as follows:

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018-2022</u>	<u>2023-2027</u>	<u>2028-2032</u>	<u>Totals</u>
<b>Principal</b>									
General Obligation Bonds	20,000	20,000	25,000	25,000	25,000	145,000	105,000	-	365,000
Revolving Loan KWPCRLF	<u>37,731</u>	<u>25,076</u>	<u>25,719</u>	<u>26,379</u>	<u>27,056</u>	<u>146,060</u>	<u>165,789</u>	<u>188,182</u>	<u>641,992</u>
	<u>57,731</u>	<u>45,076</u>	<u>50,719</u>	<u>51,379</u>	<u>52,056</u>	<u>291,060</u>	<u>270,789</u>	<u>188,182</u>	<u>1,006,992</u>
<b>Interest</b>									
General Obligation Bonds	14,868	14,167	13,448	12,522	11,585	42,090	9,450	-	118,130
Revolving Loan KWPCRLF	<u>11,528</u>	<u>15,250</u>	<u>14,606</u>	<u>13,946</u>	<u>13,269</u>	<u>55,568</u>	<u>35,840</u>	<u>13,447</u>	<u>173,454</u>
	<u>26,396</u>	<u>29,417</u>	<u>28,054</u>	<u>26,468</u>	<u>24,854</u>	<u>97,658</u>	<u>45,290</u>	<u>13,447</u>	<u>291,584</u>
Total Principal & Interest	<u>84,127</u>	<u>74,493</u>	<u>78,773</u>	<u>77,847</u>	<u>76,910</u>	<u>388,718</u>	<u>316,079</u>	<u>201,629</u>	<u>1,298,576</u>

**5. Capital project funds**

Major capital projects are accounted for within their own fund. Since these funds are not required to be budgeted, expenditures are limited on a project-by-project basis to an amount authorized by resolution. During 2012, the following projects were completed or underway:

	Project Authorization	Project to Date Expenditures	Dec. 31, 2012 Status
Sewer Improvement Fund	\$907,256	\$841,485	In progress

**City of Argonia, Kansas**  
**Notes to Financial Statement**  
*December 31, 2012*

**6. Claims and Judgments**

The City participates in federal, state and county programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. As of the date of this report, the expenditures have not been audited, but the City believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the City.

The City is exposed to various risks of loss related to property loss; torts; theft of, damage to, and destruction of assets; errors and omissions; employee injuries and natural disasters. The City has purchased commercial insurance for these potential risks. There have been no significant reductions in insurance coverage from 2011 to 2012 and there were no settlements that exceeded insurance coverage in the past three years.

During the ordinary course of its operations, the City is a party to various claims, legal actions and complaints. It is the opinion of the City's management and legal counsel that these matters are not anticipated to have a material financial impact on the City.

**7. Interfund transfers and other interfund activity**

The following is a schedule of interfund operating transfers made in 2012:

<u>From:</u>	<u>To:</u>	<u>Amount:</u>
Water & Sewer	Bond & Interest	20,000
Vera Linn Memorial	Cemetery	508

**8. Other Long-Term Obligations from Operations**

**A. Post-Employment Health Care Benefits**

The City does not maintain a group health insurance plan for its employees or retirees, nor does it have any other post-employment benefits.

**B. Compensated absences**

The City's policies regarding vacations permit employees to accrue vacation at the rate of five days after one year of service, ten days after two years of service and fifteen days after five years of employment. Unused vacation at each December 31<sup>st</sup> carries over to the next December 31<sup>st</sup>, than expires. Upon termination or resignation from service with the City, employees are entitled to payment for all accrued vacation. Full time employees earn sick time at the rate of eight hours per month, to a maximum of 240 hours accrued, and part time staff earns one-half of that amount. . All employees on permanent status earn personal leave at the rate of one calendar day per month with a thirty day maximum accumulation. Upon termination or resignation, employees are entitled to one half of sick time earned prior to termination or resignation, but no payment is made for any unused personal leave. There are no other post-employment benefits for employees.

***City of Argonia, Kansas***  
**Notes to Financial Statement**  
*December 31, 2012*

**9. Defined Contribution Pension Plan**

The City established a SIMPLE retirement plan July 1, 1997. A SIMPLE is a defined contribution plan under the Internal Revenue Code where employees may elect to reduce their salary and, for 2012, contribute up to \$11,500 per year into the plan. The City chooses to match employee contributions up to a maximum of 3% of compensation. Employer contributions were \$3,382 and \$5,024 in 2012 and 2011, respectively.

**10. Contingencies**

**Grant Program Involvement**

The City participates in various federal or state grant programs from year to year on an intermittent basis. The programs are often subject to additional audits by agents of the granting agency, the purpose of which is to ensure compliance with the specific conditions of the grant. Any liability for reimbursement which may arise as a result of these audits cannot be reasonably determined at this time, although it is believed the amount, if any, would not be material.

**11. Vera M. Linn Memorial Endowment**

During 1995, the City was notified that it was the beneficiary of a bequest from the Vera M. Linn Estate. The total bequest was \$69,685.16. The terms of the Last Will and Testament of Vera M. Linn state that funds be deposited in "...the perpetual care fund of Argonia Cemetery, Argonia, Kansas, and request that the income therefrom be used annually for Memorial Day flowers and the upkeep for the graves of the descendants of George Linn and Charles Ford in said Cemetery. " The City maintained the endowment as required in 2012.

**12. Subsequent Events**

Management has evaluated the effects of the financial statement of subsequent events occurring through September 10, 2013, which is the date at which the financial statement was available to be issued.

The City was awarded a \$500,000 Community Development Block Grant in February, 2013, for the construction of a new water treatment facility. The total cost of the project is expected to be \$2,100,000, with the balance financed with a loan of \$1,600,000 from the Kansas Department of Health and Environment.

The City committed approximately \$75,000 of its Capital Improvement Fund to provide utility service for a new residential development in 2013. No special assessments will be levied for these improvements, though purchasers of lots will pay a minimal hookup fee.

***City of Argonia, Kansas***  
**Summary of Expenditures--Actual and Budget**  
 Regulatory Basis  
*(Budgeted Funds Only)*  
 For the Year Ended December 31, 2012

<u>Fund</u>	<u>Certified Budget</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Variance- Favorable/ (Unfavorable)</u>
General	\$ 302,400	\$ -	\$ 302,400	\$ 276,099	\$ 26,301
Special Purpose Funds					
Special Highway	39,981	-	39,981	29,000	10,981
Park Trust	15,500		15,500	17,816	(2,316)
Argonia Daze	-		-	4,819	(4,819)
Bond & Interest Funds:					
Bond & Interest	57,870	-	57,870	36,070	21,800
Business Funds:					
Water and Sewer Utility	300,500	-	300,500	144,849	155,651
Gas Utility	357,000	-	357,000	139,847	217,153
Ambulance	139,500	-	139,500	53,688	85,812
Cemetery	19,500	-	19,500	4,228	15,272
Solid Waste Utility	53,000	-	53,000	42,412	10,588
Trust Funds:					
Vera M Linn Cemetery Memorial Fund	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>508</u>	<u>4,492</u>
Total primary government	<u>1,290,251</u>	<u>-</u>	<u>1,290,251</u>	<u>749,336</u>	<u>540,915</u>

***City of Argonia, Kansas***  
**General Fund**  
**Schedule of Receipts & Expenditures-Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Taxes and Intergovernmental:				
Ad valorem property tax	\$ 96,759	\$ 102,060	\$ 107,386	\$ (5,326)
Delinquent taxes	8,201	6,317	-	6,317
Motor vehicle tax	22,733	14,442	18,799	(4,357)
Recreational vehicle & 16/20M tax	801	728	622	106
Special assessments	600	100	-	100
Local sales tax	32,066	27,483	30,000	(2,517)
Franchise taxes	20,839	27,141	22,000	5,141
Sumner County Road & Bridge	6,000	6,000	6,000	-
Licenses, fines and permits:				
Licenses and permits	1,443	663	1,000	(337)
Fines and court fees	1,464	291	500	(209)
Interest earnings	1,867	1,242	4,500	(3,258)
Other:				
Swimming pool revenue	12,114	9,646	13,200	(3,554)
Miscellaneous revenues	4,319	2,059	-	2,059
Oil lease	-	23,400	-	23,400
Streets & parks	1,872	54	-	54
Firemen's Relief reimbursement	-	26,500	-	26,500
Operating transfers in	-	-	-	-
Total cash receipts	<u>\$ 211,078</u>	<u>\$ 248,126</u>	<u>\$ 204,007</u>	<u>\$ 44,119</u>

**City of Argonia, Kansas**

Schedule 2-1

Page 2

**General Fund****Schedule of Receipts & Expenditures-Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	(Unfavorable)
<u>Expenditures</u>				
Administration				
Personal services	\$ 34,003	\$ 36,237	\$ 35,000	\$ (1,237)
Employee benefits	7,619	8,224	9,000	776
Contractual	14,327	56,246	13,000	(43,246)
Commodities	5,441	7,799	3,500	(4,299)
Capital outlay	-	929	5,000	4,071
Police				
Personal services	39,134	47,689	50,500	2,811
Employee benefits	5,960	4,941	7,400	2,459
Contractual	7,663	3,040	8,000	4,960
Commodities	3,469	5,812	5,000	(812)
Capital outlay		-	1,000	1,000
Fire				
Contractual	4,494	5,732	1,000	(4,732)
Commodities	4,103	28,689	4,000	(24,689)
Capital outlay	550	-	1,000	1,000
Memorial Expense	-	1,162	-	(1,162)
Street and Park				
Contractual	15,057	21,208	20,000	(1,208)
Commodities	17,986	4,849	20,000	15,151
Capital outlay	6,654	7,085	15,000	7,915
Pool				
Personal services	11,180	12,624	12,000	(624)
Employee benefits	858	818	1,000	182
Contractual	5,496	4,427	7,000	2,573
Commodities	11,450	13,219	15,000	1,781
Capital outlay	-	-	1,000	1,000
Non-departmental				-
Contingency/Capital outlay	-	-	15,000	15,000
Other	-	134	-	(134)
Reimbursement to Argonia Daze	-	1,000	-	(1,000)
Revitalization rebates	8,773	4,235	-	(4,235)
Operating transfers out	-	-	53,000	53,000
Total expenditures	<u>\$ 204,217</u>	<u>\$ 276,099</u>	<u>\$ 302,400</u>	<u>\$ 26,301</u>
Cash receipts over (under) expenditures	\$ 6,861	\$ (27,973)		
Unencumbered cash balance, beginning	<u>71,157</u>	<u>78,018</u>		
Unencumbered cash balance, ending	<u>\$ 78,018</u>	<u>\$ 50,045</u>		



***City of Argonia, Kansas***  
Special Purpose Fund  
**Special Highway Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
	<u>Actual</u>			
<b><u>Cash Receipts</u></b>				
Intergovernmental:				
State payments	\$ 12,644	\$ 12,888	\$ 12,910	\$ (22)
Total cash receipts	\$ 12,644	\$ 12,888	\$ 12,910	\$ (22)
<b><u>Expenditures</u></b>				
Commodities	\$ -	\$ -	\$ 5,000	\$ 5,000
Capital outlay	-	-	5,000	5,000
Street repairs and maintenance	<u>38,255</u>	<u>29,000</u>	<u>29,981</u>	<u>981</u>
Total expenditures	\$ <u>38,255</u>	\$ <u>29,000</u>	\$ <u>39,981</u>	\$ <u>10,981</u>
Cash receipts over (under) expenditures	\$ (25,611)	\$ (16,112)		
Unencumbered cash balance, beginning	<u>44,511</u>	<u>18,900</u>		
Unencumbered cash balance, ending	\$ <u>18,900</u>	\$ <u>2,788</u>		

***City of Argonia, Kansas***  
Special Purpose Fund  
**Equipment Reserve Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Operating transfer from:		
Solid waste fund	\$ 5,000	\$ -
Total cash receipts	<u>\$ 5,000</u>	<u>\$ -</u>
<u>Expenditures</u>		
Capital outlay	\$ 4,315	\$ 2,950
Police	12,897	-
Street Repair & Maintenance	<u>26,012</u>	<u>-</u>
Total expenditures	<u>\$ 43,224</u>	<u>\$ 2,950</u>
Cash receipts over (under) expenditures	\$ (38,224)	\$ (2,950)
Unencumbered cash balance, beginning	<u>113,368</u>	<u>75,144</u>
Unencumbered cash balance, ending	<u>\$ 75,144</u>	<u>\$ 72,194</u>

**City of Argonia, Kansas**

Special Purpose Fund

**Park Trust Fund****Schedule of Receipts and Expenditures-Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>Favorable/ Unfavorable</u>
<u>Cash Receipts</u>				
Contributions	\$ 605	\$ 239	\$ 2,000	\$ (1,761)
Fees	8,021	28,754	10,000	18,754
Other	-	180	-	180
	<u>-</u>	<u>180</u>	<u>-</u>	<u>180</u>
Total cash receipts	<u>\$ 8,626</u>	<u>\$ 29,173</u>	<u>\$ 12,000</u>	<u>\$ 17,173</u>
<u>Expenditures and Transfers</u>				
Contractual services	\$ 4,045	\$ 12,965	\$ 6,000	\$ (6,965)
Commodities	3,736	4,776	5,000	224
Capital Outlay	-	-	4,500	4,500
Other	90	75	-	(75)
	<u>90</u>	<u>75</u>	<u>-</u>	<u>(75)</u>
Total expenditures	<u>7,871</u>	<u>17,816</u>	<u>15,500</u>	<u>(2,316)</u>
Cash receipts over (under) expenditures	\$ 755	\$ 11,357		
Unencumbered cash balance, beginning	<u>5,411</u>	<u>6,166</u>		
Unencumbered cash balance, ending	<u>\$ 6,166</u>	<u>\$ 17,523</u>		

***City of Argonia, Kansas***  
Special Purpose Fund  
**Argonia Daze Fund**  
**Schedule of Receipts and Expenditures-Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Variance- Favorable/ (Unfavorable)
<u>Cash Receipts</u>	<u>Actual</u>			
Reimbursement from General Fund	\$ 500	\$ 1,000	\$ -	\$ 1,000
Program Receipts	<u>3,943</u>	<u>1,974</u>	<u>-</u>	<u>1,974</u>
				-
Total cash receipts	<u>\$ 4,443</u>	<u>\$ 2,974</u>	<u>\$ -</u>	<u>\$ 2,974</u>
<u>Expenditures</u>				
Program Expenses	<u>\$ 695</u>	<u>\$ 4,819</u>	<u>\$ -</u>	<u>\$ (4,819)</u>
Total expenditures	<u>695</u>	<u>4,819</u>	<u>-</u>	<u>(4,819)</u>
Cash receipts over (under) expenditures	\$ 3,748	\$ (1,845)		
Unencumbered cash balance, beginning	<u>-</u>	<u>3,748</u>		
Unencumbered cash balance, ending	<u>\$ 3,748</u>	<u>\$ 1,903</u>		

**City of Argonia, Kansas**

Bond and Interest Fund

**Bond & Interest Fund****Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Ad valorem property tax	\$ 13,486	\$ 12,454	\$ 13,104	\$ (650)
Delinquent taxes	1,500	876	-	876
Motor vehicle tax	3,217	2,013	2,533	(520)
Recreational vehicle & 16/20M tax	116	101	84	17
Transfer from Water & Sewer fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total cash receipts	<u>\$ 38,319</u>	<u>\$ 35,444</u>	<u>\$ 35,721</u>	<u>\$ (277)</u>
<u>Expenditures</u>				
Interest on bonds	\$ 16,198	\$ 15,548	\$ 15,550	\$ 2
Principal on bonds	20,000	20,000	20,000	-
Fees	1	5	100	95
Cash basis reserve	-	-	22,220	22,220
Revitalization rebates	<u>1,221</u>	<u>517</u>	<u>-</u>	<u>(517)</u>
Total expenditures	<u>\$ 37,420</u>	<u>\$ 36,070</u>	<u>\$ 57,870</u>	<u>\$ 21,800</u>
Cash receipts over (under) expenditures	\$ 899	\$ (626)		
Unencumbered cash balance, beginning	<u>22,053</u>	<u>22,952</u>		
Unencumbered cash balance, ending	<u>\$ 22,952</u>	<u>\$ 22,326</u>		

***City of Argonia, Kansas***  
 Capital Project Fund  
**Capital Improvement Fund**  
**Schedule of Receipts and Expenditures**  
 Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	<u>2011</u> <u>Actual</u>	<u>2012</u> <u>Actual</u>
<u>Cash Receipts</u>		
Operating transfer from:		
Solid waste fund	\$ 5,000	\$ -
Total cash receipts	<u>\$ 5,000</u>	<u>\$ -</u>
 <u>Expenditures</u>		
Capital improvements	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>
Cash receipts over (under) expenditures	\$ 5,000	\$ -
Unencumbered cash balance, beginning	<u>64,178</u>	<u>69,178</u>
Unencumbered cash balance, ending	<u>\$ 69,178</u>	<u>\$ 69,178</u>

***City of Argonia, Kansas***  
**Capital Project Fund**  
**Sewer Improvement Fund**  
**Schedule of Receipts and Expenditures**  
Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
State of Kansas Revolving Loan Fund	\$ 134,087	\$ 190,587
CDBG grant	-	212,435
Other	<u>8</u>	<u>-</u>
Total cash receipts	<u>\$ 134,095</u>	<u>\$ 403,022</u>
<u>Expenditures</u>		
Capital improvements	<u>\$ 105,400</u>	<u>\$ 736,084</u>
Total expenditures	<u>\$ 105,400</u>	<u>\$ 736,084</u>
Cash receipts over (under) expenditures	\$ 28,695	\$ (333,062)
Unencumbered cash balance, beginning	<u>-</u>	<u>28,695</u>
Unencumbered cash balance, ending	<u>\$ 28,695</u>	<u>\$ (304,367)</u>

***City of Argonia, Kansas***  
**Business Fund**  
**Water and Sewer Utility Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
**Regulatory Basis**  
*For the Year Ended December 31, 2012*  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance-
	2011			Favorable/
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	<u>(Unfavorable)</u>
<u>Cash Receipts</u>				
Water sales	\$ 142,277	\$ 139,916	\$ 150,220	\$ (10,304)
Sewer sales	72,565	67,022	79,000	(11,978)
Other revenue	3,438	10,203	-	10,203
Reimbursement from Sewer Improvement	<u>77,266</u>	<u>26,382</u>	<u>-</u>	<u>26,382</u>
Total cash receipts	<u>\$ 295,546</u>	<u>\$ 243,523</u>	<u>\$ 229,220</u>	<u>\$ (12,079)</u>
<u>Expenditures</u>				
Administration				
Personal services	\$ 6,047	\$ 8,547	\$ 7,500	\$ (1,047)
Employee benefits	2,531	3,372	3,500	128
Contractual services	5,010	4,654	6,000	1,346
Commodities	1,295	1,730	2,000	270
Other	-	203	-	(203)
Water Utility Deposit Refund	20	50	500	450
Construction & Engineering	31,598	29,516	-	(29,516)
Production and distribution				
Personal services	39,890	39,493	45,000	5,507
Employee benefits	8,579	8,174	8,000	(174)
Contractual services	25,889	22,035	28,000	5,965
Commodities	11,954	7,075	10,000	2,925
Capital outlay	1,661	-	170,000	170,000
Operating transfers				
Bond and Interest fund	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>-</u>
Total expenditures	<u>\$ 154,474</u>	<u>\$ 144,849</u>	<u>\$ 300,500</u>	<u>\$ 155,651</u>
Cash receipts over (under) expenditures	\$ 141,072	\$ 98,674		
Unencumbered cash balance, beginning	<u>85,172</u>	<u>226,244</u>		
Unencumbered cash balance, ending	<u>\$ 226,244</u>	<u>\$ 324,918</u>		



**City of Argonia, Kansas**

Business Fund

**Gas Utility Fund****Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Gas sales and service charges	\$ 195,823	\$ 155,691	\$ 300,000	\$ (144,309)
Refund from gas company	14	-	-	-
Utility deposits	1,550	4,450	1,500	2,950
Other revenue	25	3,886	-	3,886
Interest earnings	254	185	500	(315)
Total cash receipts	<u>\$ 197,666</u>	<u>\$ 164,212</u>	<u>\$ 302,000</u>	<u>\$ (137,788)</u>
<u>Expenditures</u>				
Administration				
Personal services	\$ 6,047	\$ 8,547	\$ 7,500	\$ (1,047)
Employee benefits	2,531	3,371	3,500	129
Contractual services	5,780	3,841	7,000	3,159
Commodities	1,514	1,646	2,000	354
Distribution				
Personal services	39,890	39,493	45,000	5,507
Employee benefits	8,676	8,174	8,000	(174)
Contractual services	12,628	12,320	15,000	2,680
Commodities	5,011	8,097	8,000	(97)
Capital outlay	1,164	-	10,000	10,000
Gas utility deposit refund	408	319	1,000	681
Gas purchases	117,806	54,039	250,000	195,961
Total expenditures	<u>\$ 201,455</u>	<u>\$ 139,847</u>	<u>\$ 357,000</u>	<u>\$ 217,153</u>
Cash receipts over (under) expenditures	\$ (3,789)	\$ 24,365		
Unencumbered cash balance, beginning	<u>63,754</u>	<u>59,965</u>		
Unencumbered cash balance, ending	<u>\$ 59,965</u>	<u>\$ 84,330</u>		

***City of Argonia, Kansas***  
 Business Fund  
**Ambulance Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
 Regulatory Basis  
*For the Year Ended December 31, 2012*  
 (With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance- Favorable/ (Unfavorable)
	2011 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<u>Cash Receipts</u>				
Patient collections	\$ 22,642	\$ 4,028	\$ 20,000	\$ (15,972)
Sumner County subsidy	20,067	60,567	54,000	6,567
Contributions	325	200	1,689	(1,489)
Transfer from general fund	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>(50,000)</u>
Total cash receipts	<u>\$ 43,034</u>	<u>\$ 64,795</u>	<u>\$ 125,689</u>	<u>\$ (60,894)</u>
<u>Expenditures</u>				
Personal services	\$ 25,541	\$ 32	\$ 42,500	42,468
Employee benefits	2,933	2	-	(2)
Contractual services	16,687	50,771	73,000	22,229
Commodities	7,773	1,678	12,000	10,322
On Call	2,240	1,205	2,000	795
Transfer to Equipment Reserve	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>
Total expenditures	<u>\$ 55,174</u>	<u>\$ 53,688</u>	<u>\$ 139,500</u>	<u>\$ 85,812</u>
Cash receipts over (under) expenditures	\$ (12,140)	\$ 11,107		
Unencumbered cash balance, beginning	<u>21,510</u>	<u>9,370</u>		
Unencumbered cash balance, ending	<u>\$ 9,370</u>	<u>\$ 20,477</u>		

**City of Argonia, Kansas**

Business Fund

**Cemetery Fund****Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		Variance- Favorable/ (Unfavorable)
	2011 <u>Actual</u>	<u>Actual</u>	<u>Budget</u>	
<u>Cash Receipts</u>				
Sale of lots and services	\$ 6,950	\$ 5,900	\$ 5,800	\$ 100
Farm income	5,048	6,625	5,000	1,625
Hangar lease	600	600	600	-
Other	275	175	-	175
Donations	415	100	500	(400)
Interest earnings	36	14	-	14
Oil lease	-	48,000	-	48,000
Operating Transfer from Vera Linn Endowment	<u>874</u>	<u>508</u>	<u>5,000</u>	<u>(4,492)</u>
Total cash receipts	<u>\$ 14,198</u>	<u>\$ 61,922</u>	<u>\$ 16,900</u>	<u>\$ 45,022</u>
<u>Expenditures</u>				
Personal services	\$ -	\$ -	\$ 10,000	\$ 10,000
Employee benefits	-	-	1,500	1,500
Contractual services	3,474	2,212	4,000	1,788
Commodities	2,862	2,016	4,000	1,984
Capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>\$ 6,336</u>	<u>\$ 4,228</u>	<u>\$ 19,500</u>	<u>\$ 15,272</u>
Cash receipts over (under) expenditures	\$ 7,862	\$ 57,694		
Unencumbered cash balance, beginning	<u>11,051</u>	<u>18,913</u>		
Unencumbered cash balance, ending	<u>\$ 18,913</u>	<u>\$ 76,607</u>		

**City of Argonia, Kansas**

Business Fund

**Solid Waste Fund****Schedule of Receipts and Expenditures - Actual and Budget**

Regulatory Basis

*For the Year Ended December 31, 2012*

(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		2012		
	2011			Variance-
	<u>Actual</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ (Unfavorable)
<u>Cash Receipts</u>				
Refuse fees	\$ 43,916	\$ 44,338	\$ 45,500	\$ (1,162)
Recycling income	1,060	1,170	1,000	170
Other	<u>-</u>	<u>1,017</u>	<u>-</u>	<u>1,017</u>
Total cash receipts	<u>\$ 44,976</u>	<u>\$ 46,525</u>	<u>\$ 46,500</u>	<u>\$ 25</u>
<u>Expenditures</u>				
Contractual services	\$ 39,058	\$ 42,401	\$ 42,000	\$ (401)
Commodities	38	11	1,000	\$ 989
Operating Transfer to Capital Improvement	5,000	-	5,000	5,000
Operating Transfer to Equipment Reserve	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Total expenditures	<u>\$ 49,096</u>	<u>\$ 42,412</u>	<u>\$ 53,000</u>	<u>\$ 10,588</u>
Cash receipts over (under) expenditures	\$ (4,120)	\$ 4,113		
Unencumbered cash balance, beginning	<u>7,975</u>	<u>3,855</u>		
Unencumbered cash balance, ending	<u>\$ 3,855</u>	<u>\$ 7,968</u>		

***City of Argonia, Kansas***  
Trust Fund  
**Vera M. Linn Cemetery Memorial Fund**  
**Schedule of Receipts and Expenditures-Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

		<u>2012</u>		Variance-
	<u>2011</u>	<u>Actual</u>	<u>Budget</u>	Favorable/ <u>Unfavorable</u>
<u>Cash Receipts</u>				
Interest	\$ 874	\$ 508	\$ 5,000	\$ (4,492)
<u>Expenditures</u>				
Operating transfer to Cemetery Fund	\$ 874	\$ 508	\$ 5,000	\$ 4,492
Total expenditures	\$ 874	\$ 508	\$ 5,000	\$ 4,492
Cash receipts over (under) expenditures	\$ -	\$ -		
Unencumbered cash balance, beginning	<u>70,054</u>	<u>70,054</u>		
Unencumbered cash balance, ending	<u>\$ 70,054</u>	<u>\$ 70,054</u>		

***City of Argonia, Kansas***  
Trust Fund  
**Cemetery Building Fund**  
**Schedule of Receipts and Expenditures - Actual and Budget**  
Regulatory Basis  
*For the Year Ended December 31, 2012*  
(With Comparative Actual Totals for the Prior Year Ended December 31, 2011)

	2011 <u>Actual</u>	2012 <u>Actual</u>
<u>Cash Receipts</u>		
Interest	\$ 11	\$ 1
Total cash receipts	<u>\$ 11</u>	<u>\$ 1</u>
<u>Expenditures</u>		
Supplies, repairs, equipment	\$ -	\$ -
Total expenditures	<u>\$ -</u>	<u>\$ -</u>
Cash receipts over (under) expenditures	\$ 11	\$ 1
Unencumbered cash balance, beginning	<u>2,312</u>	<u>2,323</u>
Unencumbered cash balance, ending	<u><u>\$ 2,323</u></u>	<u><u>\$ 2,324</u></u>